

Old Age, Disability, Death

First laws: 1923 (railroads), 1934 (commerce), 1936 (industry).
Current law: 1960. 1971 and 1975 (Rural workers and employers).
1991 (Equal urban and rural coverage under new Constitution.)
Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 0.85 reais (On July 1, 1994 the real replaced the cruzeiro real. One new real equalled 2,750 old cruzeiros.)

Coverage

Employed persons in industry, commerce, and agriculture, domestic servants, and self-employed.
Special systems for public employees and military.

Source of Funds

Insured person: 8%, 9%, or 10% of earnings according to 3 wage levels.

Self-employed, 10% to 20% of earnings according to 10 wage levels and time spent at each wage level.

Employer: 20% of payroll.

Employers of domestic workers contribute 12% of payroll.

Government: Certain ear-marked taxes to defray deficits as well as contributions with respect to employees of state-owned enterprises. Maximum earnings for employee contribution purposes: 582.86 reais. Minimum equals minimum wage. Employer contributions due on total payroll. Minimum wage was 70 reais a month as of September 1994. Above contributions also finance sickness and maternity benefits and family allowances.

Qualifying Conditions

Old-age pension: Age 65 (men) or 60 (women); age 50 if 15-25 years in various types of arduous employment. Requires a minimum of 5 years of contributions (beginning 1992 will rise 6 months per year until the minimum coverage reaches 15 years of contributions in the year 2012).

Length-of-service pension payable after 30 years' service; women qualify for actuarially-reduced benefit after 25 years of service. Other special conditions for aircraft crews, journalists, veterans, and teachers. Retirement unnecessary. Payable abroad by reciprocal agreement.

Disability pension: Permanent incapacity for work. Minimum of 12 months of contribution.

Survivor pension: Deceased was pensioner, or paid contributions during last 12 months before death.

Means-tested allowance: Needy persons age 70 or disabled, with at least 1 year of covered employment or 5 years of work.

Old-Age Benefits

Old-age pension: 70% of average earnings in last 36 months plus 1% of average earnings for each year of contribution, up to 100% of average earnings.

Length-of-service pension: 70% of average earnings plus 6% per year after 30 years of coverage, up to maximum of 100% of earnings. Proportionally reduced benefits payable to women with 25 years of coverage.

Schedule of payments: 13 payments per year.

Minimum benefit: 100% of minimum wage.

Maximum benefit: 582.86 reais.

Adjustment: Pensions automatically adjusted to changes in consumer price index every May.

Means-tested allowances: 100% of minimum wage.

Permanent Disability Benefits

Disability pension: 80% of average earnings in last 36 months, plus 1% of average earnings for each 12 months of contribution.

Maximum benefit: 100% of average earnings.

Minimum benefit: 100% of minimum wage.

Schedule of payments: 13 payments per year.

Lump-sum grant payable if ineligible for pension.

Adjustment: Pensions automatically adjusted to changes in the consumer price index every May.

Means-tested allowances: 100% of minimum wage.

Survivor Benefits

Survivor pension: 80% of disability pension paid or payable to insured, plus 10% of pension for each dependent up to 2. Divided equally among eligible survivors.

Eligible survivors (in order of priority): Widow, widower, sons under age 18 or disabled, unmarried daughters under age 21 or disabled, designated person, mother, disabled father, brothers and sisters under age 21 or disabled, and unmarried under age 21 or disabled.

Schedule of payments: 13 payments per year.

Lump-sum grant if ineligible for survivor pension.

Adjustment: Pensions automatically adjusted to changes in the consumer price index every May.

Minimum benefit: 80% to 100% of minimum wage.

Funeral grant: Lump sum equal to funeral expense, in most cases.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.

National Social Security Institute (INSS), administration of benefits.

Sickness and Maternity

First laws: 1923 (railroads), 1934 (commerce), 1936 (industry).

Current laws: 1974 (maternity benefit) and 1976 (sickness and medical benefits). 1988 (maternity under new Constitution).

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employed persons in industry, commerce, domestic servants, and self-employed. Special systems for students and public employees.

Source of Funds

Insured person: See pension contribution above.

Employer: Same, plus 0.3% of payroll to finance maternity cash benefits and maternity grant.

Government: Same.

Qualifying Conditions

Sickness, maternity, and medical benefits: Contributions by insured worker during last 12 months. No minimum qualifying period for cash maternity benefits; for medical services, 3 months of contributions. Maternity grant requires 12 monthly contributions and insured person's earnings may not exceed 3 times minimum wage. Payable only once even if both parents are insured.

Sickness and Maternity Benefits

Sickness benefit: 80% of average earnings in last 36 months, plus 1% for each 12 months of contribution, up to 92% of average earnings. Payable after 15-day waiting period (during which employer is required to pay full wage).

Schedule of payments: 13 payments a year if insured has been in payment status for over 6 months.

Minimum benefit: 100% of minimum wage.

Maternity benefit: Full wage (less social security contributions) for 28 days before and 92 days after giving birth (if miscarriage, 2 weeks). Employers pay benefit directly and are then reimbursed by INSS.

Maternity grant: Lump sum of 25 percent of earnings of insured person.

Workers' Medical Benefits

Medical benefits: Medical services provided directly to patients. Includes general and specialist care; hospitalization; medicines (patient shares in cost of some); maternity care; dental care; and necessary transportation. Duration: No limit.

Some medical and hospital services also provided insured persons in rural areas.) Pensioners receiving means-tested allowances also eligible for same medical and hospital services.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured worker.

Wife or designated dependent of insured worker receives same maternity grant as insured woman.

Family of rural worker receives limited medical benefits.

Administrative Organization

Ministry of Health, general supervision.

Unified System of Health (SUS), administration of cash benefits.

Government: None.

Maximum earnings for contribution and benefit purposes: 582.86 reais.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Permanent disability: Total loss of capacity to work.

Accident benefit (partial disability): Unable to do work of usual occupation but capable of doing some other work.

Temporary Disability Benefits

Temporary disability benefit: 92% of earnings on day of accident.

Payable after 15-day waiting period (during which labor laws require employer to pay full wages) for duration of disability.

Schedule of payments: 13 monthly payments a year if insured has been in payment status for over 6 months.

Permanent Disability Benefits

Permanent disability pension: 100% of earnings on day of accident. Constant-attendance supplement: 25% of pension.

Accident benefit (partial disability): 30, 40, or 60% of earnings rate on day of accident.

Supplementary benefit: 20% of earnings rate on day of accident.

Schedule of payments: 13 payments per year.

Work-injury grant: Lump sum of a set amount.

Workers' Medical Benefits

Medical benefits: Medical and dental treatment, hospital treatment, medicines, rehabilitation, and transportation.

Survivor Benefits

Survivor pension: 100% of earnings of deceased on day of accident

Divided equally among eligible survivors. Eligible survivors: Same as for ordinary survivor pensions.

Schedule of payments: 13 payments per year.

Death grant: Lump sum of a set amount.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.

National Social Security Institute (INSS), administration of cash benefits.

Work Injury

First laws: 1919, 1944, and 1967.

Current law: 1991.

Type of program: Social insurance system.

Coverage

Employed persons. Special systems for public employees and military.

Source of Funds

Insured person: None.

Employer: Whole cost, through premiums of 1%-3% of payroll according to degree of risk.

Unemployment

First law: 1965 (Compulsory savings program from the Length of Service Guaranty Fund).

Current laws: 1986 and 1990 (cash benefits).

Type of program: Social insurance system.

In addition, employees have access to blocked compulsory savings account to which employers contribute 8% of earnings. Beneficiary has access in the event of unemployment, marriage, retirement, and other contingencies.

Coverage

Employed persons.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost (proceeds from various ear-marked taxes).

Qualifying Conditions

Unemployment benefit: 36 months of coverage in last 4 years.

Unemployment not due to misconduct. Beneficiary must lack other resources to support self or family.

Unemployment Benefits

Unemployment benefit (means-tested): 50% of average earnings in last 3 months of employment, up to 3 times minimum wage.

Minimum benefit: 100% of minimum wage.

After 60-day waiting period, payable during 4 months in any 16-month period.

Administrative Organization

Ministry of Labor, general supervision.

Worker Assistance Fund, administration of program.

Family Allowances

First law: 1941 (large families only).

Current law: 1963.

Type of program: Employment-related system.

Coverage

Employees with 1 or more children.

Source of Funds

Insured person: See Old Age, Disability, Death, above.

Employer: See Old Age, Disability, Death, above.

Government: See Old Age, Disability, Death, above.

Qualifying Conditions

Family allowances: Child must be under age 14 or disabled. Parent must be currently working in job covered by social insurance or be pensioner or sickness benefit recipient. Not payable to persons earning over 3 times minimum wage. Payable to both parents if both insured.

Family Allowance Benefits

Family allowances: A set amount for each child. Payable monthly.

Administrative Organization

Ministry of Social Security and Social Assistance (MPAS), general supervision.

Contact—Barbara E. Kritzer—202-282-7293
